

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2865 –SB 3513

February 9, 2010

SUMMARY OF BILL: Removes language requiring the Utility Management Review Board (UMRB) to conduct contested case hearings in the utility district's service area. Requires UMRB to hear cases regarding the removal of utility district commissioners charged with chronic absenteeism. Requires training and continuing education for commissioners. The training is to be offered by the Tennessee Association of Utility Districts and the courses approved by the Comptroller. Requires training to be certified with TAUD. Suspends indicted commissioners from service pending the disposition of the criminal case. States that only persons who residing within the district or are customers of the district are eligible for appointment or election to the local utility board. Changes language regarding "owner of real property" to "be a district customer."

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Less than \$100,000

**Increase Local Expenditures - \$58,500/One-Time
\$60,000/Recurring***

Assumptions:

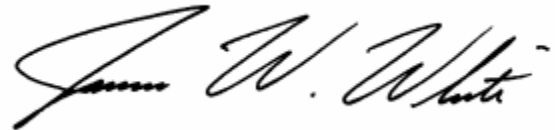
- The Comptroller estimates an additional position will be required to assist in additional administrative duties. The exact compensation of the position is unknown, but is estimated to be less than \$100,000.
- According to TAUD, there are approximately 600 commissioners statewide. Approximately 300 have already been through the TAUD certification program.
- Cost to train the additional 300 commissioners is estimated at \$300 per person. However, approximately 35 percent (105) will be trained at a TAUD conference the commissioners already attend. There would be no increase in costs for these participants. Local expenditures are estimated to increase approximately \$58,500 for one-time TAUD certification costs (195 commissioners x \$300).

- Continuing education courses must be taken every three years; 200 commissioners will train every year. The courses cost approximately \$300 per person. Recurring local expenditures are estimated to increase \$60,000 (200 commissioners x \$300).

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/kmc